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FILED

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DEPARTMENT OF REAL ESTATE
By B. Newlas

8 BEFORE THE DEPARTMENT OF REAL ESTATE

9 STATE OF CALIFORNIA

10 * * *

11 In the Matter of the Accusation of)
12) No. H-6801 SAC
13 AMERICAN REAL ESTATE SERVICES GROUP,)
14 DONALD CAUDILL and)
15 JANELLE ELAINE DUKE,) ACCUSATION
16 Respondents.)

17 The Complainant, TRICIA D. PARKHURST, acting in her official capacity as a
18 Supervising Special Investigator of the State of California, for this Accusation against
19 AMERICAN REAL ESTATE SERVICES GROUP (“ARESG”), DONALD CAUDILL
20 (“CAUDILL”), and JANELLE ELAINE DUKE (“DUKE”), collectively, “Respondents”, is
21 informed and alleges as follows:

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23 At all times mentioned herein, ARESG was, and is presently licensed and/or has
24 license rights by the Department of Real Estate (“Department”), herein under the California
25 Business and Professions Code (“Code”) as a corporate real estate broker, License No.
26 01902542.

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At all times mentioned herein, CAUDILL was, and is presently licensed and/or has license rights by the Department as a real estate broker, License No. 01372281, and was the Designated Officer of ARESG.

At all times mentioned herein, DUKE was, and is presently licensed and/or has license rights by the Department as a real estate salesperson, License No. 01390121. At all times mentioned herein, DUKE was under the employ of ARESG.

At all times mentioned herein, Respondents engaged in the business of, acted in the capacity of, advertised, or assumed to act as a real estate broker within the meaning of Section 10131(a) of the Code, in that Respondents performed licensed activities in the State of California for or in expectation of compensation, including the operation and conduct of a real estate brokerage that included the sale or offer to sell, purchase or offer to purchase, solicitation of prospective sellers and purchasers of, solicitation or obtaining listings of, or negotiates of the purchase, sale or exchange of real property or a business opportunity.

In or about July and August, 2017, Respondents represented Leanne L. in the purchase of the property located at 3120 Live Oak Boulevard, Yuba City, CA 95991 ("Subject Property").

On or about July 21, 2017, DUKE, on behalf of Leanne L., submitted an offer to purchase the Subject Property to the listing agent, JANICE O'BRIEN ("O'BRIEN"). On or about July 27, 2017, Leanne L. signed a counter offer from the sellers and was in contract to purchase the Subject Property.

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2 On or about July 27, 2017, O'BRIEN sent DUKE, by email, a collection of
3 disclosures including, but not limited, to a Manufactured Home Transfer Disclosure Statement
4 and a Seller Property Questionnaire. The disclosures revealed that the previous occupant of the
5 Subject Property committed suicide inside the Subject Property.

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7 Between August 3, 2017, and August 8, 2017, O'BRIEN made several attempts to
8 get said disclosures back from DUKE, signed by Leanne L.

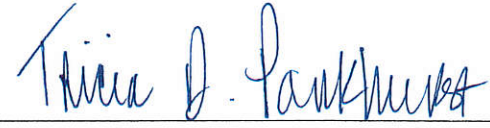
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10 On or about August 9, 2017, escrow closed with Leanne L. purchasing the Subject
11 Property. Respondents failed to provide Leanne L. the disclosures emailed by O'BRIEN prior to
12 the close of escrow. At the time of the close of escrow, Leanne L. was unaware that the previous
13 occupant of the Subject Property committed suicide in the Subject Property.

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15 Respondents failed to deliver a Manufactured Home Transfer Disclosure
16 Statement to Leanne L. prior to the close of escrow as required by Sections 1102.3a and 1102.12
17 of the California Civil Code.

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19 Respondents failed to conduct a reasonably competent and diligent visual
20 inspection of the Subject Property prior to the close of escrow as required by Section 2079 of the
21 California Civil Code.

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23 While engaging in the real estate activities described above in Paragraphs 5
24 through 11, pursuant to the requirements of Section 10159.2 of the Code and Section 2725, Title
25 10, of the California Code of Regulations, CAUDILL was responsible for exercising reasonable
26 supervision over the activities of ARESG's employees and/or its associates, including, but not
27 limited to DUKE.

1 cost of investigation and enforcement as permitted by law, and for such other and further relief as
2 may be proper under other provisions of law.

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4 TRICIA D. PARKHURST
5 Supervising Special Investigator

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7 Dated at Sacramento, California,
8 this 6th day of May, 2019.

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12 DISCOVERY DEMAND

13 Pursuant to Sections 11507.6, *et seq.* of the *Administrative Procedure Act*, the
14 Department hereby makes demand for discovery pursuant to the guidelines set forth in the
15 *Administrative Procedure Act*. Failure to provide Discovery to the Department may result in the
16 exclusion of witnesses and documents at the hearing or other sanctions that the Office of
17 Administrative Hearings deems appropriate.

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